

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

ELAINE L. CHAO)
Secretary of Labor)
Plaintiff,)
v.) Civil Action No. 4-05-CV-338-Y
ALLIED PILOTS ASSOCIATION)
Defendant.)

STIPULATION OF SETTLEMENT

The Plaintiff, Elaine L. Chao, Secretary of Labor, United States Department of Labor (the “DOL”), and the Defendant, the Allied Pilots Association (“Defendant”), by and through their respective counsel, hereby stipulate and agree to this Stipulation of Settlement as follows:

1. This action was brought by the DOL, pursuant to Title IV of the Labor-Management Reporting and Disclosure Act, 29 U.S.C. §§ 401, et seq. (hereinafter, “the Act” or the “LMRDA”) for the purpose of setting aside Defendant’s 2004 National Officer Election and requesting a new election under the supervision of the Secretary of Labor.

2. Both the DOL and Defendant recognize that possible trial of this matter

represents risks, uncertainties and further expense for both parties. Accordingly, the parties, through their respective counsel, have negotiated the terms of this Stipulation of Settlement as a mutual compromise and settlement of disputed claims and defenses in order to avoid unnecessary risks and expenses for both parties.

3. It is hereby stipulated by and between the parties that any and all disputes concerning the 2004 APA National Officer Election be resolved, and no further action taken with respect to that Election, pursuant to the following terms:

- (a) The DOL will supervise the 2007 National Officer Election.
- (b) The DOL supervision of the 2007 National Officer Election will begin with the conclusion of the nomination round (which ends with the tally of nomination balloting). The DOL will have the right to review (a) the nomination process prior to the commencement of the actual voting for candidates to ensure compliance with the LMRDA; and (b) the nomination process in response to member complaints that might arise concerning the process. The DOL will perform these reviews as expeditiously as possible. To the extent the DOL finds that the nomination process does not comply with the LMRDA, remedial action by the APA under DOL supervision will be necessary before the election process can proceed.
- (c) The DOL will evaluate the BallotPoint remote electronic voting system proposed to be used by APA in connection with the 2007 National Officer Election in a timely fashion and, if the DOL is satisfied that the

system appears consistent with the dictates of Title IV of the LMRDA, the 2007 National Officer Election will be conducted using that system.

(d) If, after the DOL review of the BallotPoint system, the DOL finds that the system is not compliant with Title IV or cannot be made compliant by BallotPoint within a timeframe acceptable to the DOL, the supervised 2007 National Officer Election will be conducted by mail ballot.

(e) The APA and the DOL will jointly move to vacate the court's summary judgment decision in this action.

(f) The 2007 National Officer Election will be conducted in accordance with LMRDA Title IV and, as lawful and practicable, with the APA Constitution and Bylaws.

(g) Decisions as to the interpretation of Title IV of the LMRDA relating to the supervised 2007 National Officer Election are to be determined by the DOL subject to judicial review. Additionally, decisions as to the interpretation of the APA Constitution and Bylaws, insofar as they relate to election of officers, are to be determined by the DOL, subject to judicial review.

(h) The APA and the DOL will jointly propose that the court retain jurisdiction of this action for the sole purpose of ensuring that the supervised 2007 National Officer Election is conducted in accordance with Title IV of the LMRDA and the APA Constitution and Bylaws so far

as lawful and practicable. After completion of the supervised 2007 National Officer election, the DOL shall certify to the court the names of the persons elected and that the election was conducted in accordance with Title IV of the LMRDA and provision of the APA Constitution and Bylaws. Upon approval of such certification, the court shall enter a judgment declaring that such persons have been elected.

(i) It is also agreed, by and among the parties, that the respective parties will each bear their own costs, fees, and expenses.

4. The persons signing this Settlement Agreement warrant and represent that they possess full authority to bind the persons on whose behalf they are signing to the terms of the settlement.

5. The parties agree that this Stipulation of Settlement, including all the terms and conditions of this compromise settlement and any additional agreements relating thereto, may be made public in their entirety, and the Defendant expressly consents to such release and disclosure pursuant to 5 U.S.C. § 552a(b).

6. It is contemplated that this Stipulation may be executed in several counterparts, with a separate signature page for each party. All such counterparts and

signature pages, together, shall be deemed to be one document.

Agreed and Stipulated:


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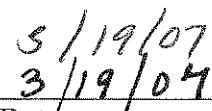

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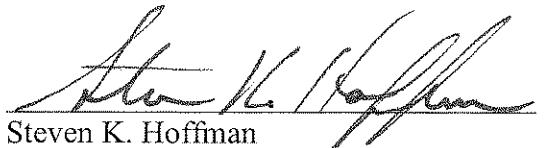
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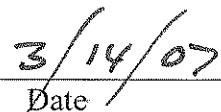
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3/19/07

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3/14/07

Date